



UNDER SECRETARY OF DEFENSE  
1100 DEFENSE PENTAGON  
WASHINGTON, DC 20301-1100



June 16, 1997

MEMORANDUM FOR UNDER SECRETARIES OF DEFENSE  
DIRECTOR, DEFENSE RESEARCH AND ENGINEERING  
ASSISTANT SECRETARIES OF DEFENSE  
GENERAL COUNSEL OF THE DEPARTMENT OF DEFENSE  
INSPECTOR GENERAL OF THE DEPARTMENT OF DEFENSE  
DIRECTOR, OPERATIONAL TEST AND EVALUATION  
ASSISTANTS TO THE SECRETARY OF DEFENSE  
DIRECTOR, ADMINISTRATION AND MANAGEMENT  
DIRECTORS OF THE DEFENSE AGENCIES  
DIRECTORS OF THE DOD FIELD ACTIVITIES

INFO COPY: SECRETARIES OF THE MILITARY DEPARTMENTS  
CHAIRMAN OF THE JOINT CHIEFS OF STAFF

SUBJECT: Management Reform Memorandum #11 -- Adoption of Commercial Identifiers in  
DoD Business Systems by January 1, 2000

The Secretary of Defense has directed that we undertake a revolution in business practices in conjunction with the Quadrennial Defense Review. As part of these changes, I am proposing that we consider incorporating commercial identification numbers for DoD business entities and contractors to replace the DoD Activity Address Code (DODAAC) and the Commercial And Government Entity (CAGE) codes. DoD can no longer afford the infrastructure overhead of maintaining DoD unique reference numbers while the commercial sector and federal civilian sector have found an acceptable method to identify business entities with the Data Universal Numbering System (DUNS) number. DoD should be aligned with the commercial practice of a standard reference identification number in order to simplify DoD interfaces with the private sectors, facilitate Electronic Commerce/Electronic Data Interchange transaction routing, and minimize the infrastructure overhead required to process and maintain unique identification numbers.

In order to determine the feasibility of sweeping changes in this area, I am requesting the Deputy Under Secretary of Defense (Logistics) develop, by August 11, 1997, a plan to accomplish these changes. The plan will include a schedule and deliverables assessing the impact of migrating from the use of DODAACs and CAGE codes in DoD business systems to commercially available DUNS numbers. This plan should include identification of necessary automated information systems and supporting infrastructure changes within DoD required for this migration. This plan should be coordinated with all organizations that participate in the business processes currently using DODAACs and CAGE codes.

This effort will be worked separately, but in conjunction with the currently established Central Contractor Registration Overarching Integrated Product Team (OIPT). The OIPT is already working the issues in the DoD Procurement and Finance functional areas related to the use of the DUNS number to identify DoD contractors and to electronically pay them.

I request your full cooperation in supporting this plan. In approximately two weeks from the date of this memorandum, I will have my secretary arrange for a meeting with the DUSD(L) to obtain a status on how this effort is proceeding.

A handwritten signature in black ink, appearing to read "John I. Hamre", with a long horizontal flourish extending to the right.

John I. Hamre